

**Security Council**Distr.: General
27 June 2017

Original: English

Twelfth report of the Secretary-General pursuant to paragraph 6 of resolution 1956 (2010)**I. Introduction**

1. The present report is submitted pursuant to paragraph 6 of Security Council resolution 1956 (2010), in which the Council requested me to provide written reports to the Council every six months about the United Nations Compensation Fund, with effect from 1 January 2012, evaluating the continued compliance with the provisions of paragraph 21 of resolution 1483 (2003), which requires Iraq to deposit 5 per cent of the proceeds from export sales of petroleum, petroleum products and natural gas into the Fund. The present twelfth report covers the developments following the issuance of my eleventh report (S/2016/1126) on 28 December 2016.

II. Developments

2. The overall amount of compensation paid to date by the United Nations Compensation Commission stands at \$47.8 billion, leaving approximately \$4.6 billion outstanding to be paid to Kuwait to settle the last remaining claim.

3. As indicated in my previous report, owing to the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated therewith that had continued since the adoption of its decisions 272 (2014) and 273 (2015), the Governing Council of the Commission adopted decision 274 (2016), by which it postponed until 1 January 2018 the deposit requirements of Iraq under Security Council resolution 1483 (2003). As a result of those decisions, no compensation payments towards the outstanding claim have been made since October 2014. In the light of the postponements, the Governing Council has been considering future options to ensure the payment of the outstanding amount in a timely manner.

4. At the eighty-second session of the Governing Council, held on 24 April 2017, the Council continued its discussion of future options and welcomed the confirmation by the delegations of Iraq and Kuwait that they would hold bilateral meetings to collaborate on options and report to the Council thereon. The first meeting was held in Geneva from 15 to 17 May 2017, and the next meeting was expected to be held in June or July 2017. The matter will be further considered by the Governing Council at its eighty-third session, which has been tentatively scheduled to be held on 2 and 3 October 2017.



5. In conclusion, I welcome the bilateral meetings between Iraq and Kuwait and encourage the delegations of those countries to jointly develop options for the consideration of the Governing Council that would ensure the timely completion of the Commission's mandate. I reiterate my expression of solidarity with the Government and the people of Iraq.
